



Transmission Business Line (TBL)

NOTICE

DECISION: BPAT WILL CONTINUE 7-DAY PRESCHEDULE COVERAGE

Revision 1

Posted July 16, 2003

This revision changes the operation time for preschedule on the weekends and updates the contact information. The format of the document was changed for consistency.

Background:

On September 20, 2002, Bonneville Power Administration's Transmission Business Line (BPAT) posted an update to its proposal to return to a 5-day preschedule function on its Open Access Same-Time Information System (OASIS). This posting can be found at:

http://www.transmission.bpa.gov/oasis/bpat/Notices/forum/Attachments/09-20-02_SevenToFivePartII.doc

A conference call was held with customers and interested parties on September 24, 2002 to revisit the proposal. Written comments were due to BPAT by October 4, 2002 and are listed below.

Decision:

BPAT has considered the issues discussed on the conference call and has reviewed the written comments. BPAT will provide 7-day preschedule coverage but will minimize the weekend and holiday preschedule coverage. Since Southwest preschedule activity typically does not get underway until noon, BPAT will modify its preschedule work hours as follows:

Monday through Friday: 8:00AM until 4:30PM or through preschedule checkout,
(whichever is later)

Weekends and Holidays: 1:00 p.m. through presechedule checkout.

Please feel free to contact your Account Executive or Kathy Frith at if you have any questions, comments, or concerns.

Customer Comments follow:

Powerex Comments:

As requested, Powerex is submitting written comments to explain why it opposes BPA TBL's proposal to move from a 7-day to a 5-Day Work Schedule for their Pre-schedulers. Our concerns are grouped under the following headings: Rationale; Reliability Impacts and Financial Impacts.

Rationale:

* Powerex is not clear on how many BPA TBL employees carry out the Pre-scheduling duties on weekends and holidays. However, assuming that TBL is running a skeleton crew on weekends and holidays, we don't understand how the costs of minimal weekend staffing could outweigh the benefits associated with increased trade, reliability and customer service;

* * Given that extra real-time schedulers would be required to handle any eventualities resulting from pre-schedule duties, we don't see how there would be net cost savings with this proposal; * To understand TBL's perspective it would be helpful to know what factors it is considering in its business case for the 7-day Work Schedule.

Reliability Impacts:

* BPAT Real Time is not familiar with the pre-schedule check-out and if there are any pre-schedule problems they may be hard pressed to devote the necessary attention to resolve the schedule discrepancies promptly and efficiently.

* The time frame proposed for weekend preschedules to be submitted is 22:00. This could make it very difficult to check out day ahead schedules, given that some schedules will begin to flow 2 hours later. If there are problems, some of the people that could solve them in a timely fashion may be in bed - especially the marketers who live on the east coast.

* * The WECC Minimum Operating Reliability Requirements (MORC), Section 3A - Interchange states:

3. Schedule confirmation and implementation. All scheduled transactions shall be confirmed and implemented between or among the control areas involved in such transactions. "Control areas involved" means the control area where the schedule originates, the control area(s) providing transmission service for the transaction, and the control area where the scheduled energy is delivered. If a schedule cannot be confirmed it shall not be implemented.
4. Schedule verification. Each Control Area is responsible to have the net scheduled interchange verified with all adjacent Control Areas on an hourly preschedule and real-time basis. This verification may be accomplished through a designated agent. Real-time verification shall take place prior to the start of the ramp."

http://www.wecc.biz/MORC_Pages_9-02.pdf

* Given these MORC requirements, we are very concerned about the increased workload of the real-time schedulers across the WECC - as it is not just TBL who would see an increase in their real-time work load with the proposed move to a 5-day schedule. We wonder how the real-time schedulers in the Pacific Northwest would cope if a major system contingency occurs that requires real-time schedules curtailments at the same time that marketers are trying to call in with the next day's CISO schedules.

Financial Impacts:

*If a schedule cannot be confirmed, then MORC states that "it shall not be implemented". With the proposed move to 5-day scheduling, it is the marketer who alone bears the risk of a weekend preschedule with the CISO not being implemented because of check out problems.

* * The economic consequences to a marketer who has to pay market price to the CISO because a schedule has been missed can be very substantial.

* TBL's customers who are most affected by the proposed change to 5-day scheduling are those that transact with the CISO and BPA's other adjacent control areas. We suspect that these entities are some of TBL's largest point-to-point customers, consequently, we hope that TBL will give additional weight to their needs and opinions.

Powerex opposes TBL's proposed change from a 7-day to a 5-Day Work Schedule. We believe that any potential cost savings associated with this change would be more than offset by negative reliability and financial impacts. If you have any questions, please do not hesitate to contact me.

Gordon P. Dobson-Mack

Manager, Trade Policy

Powerex

Phone: 604.891.6004 Fax: 604.891.5045

BPA Power Business Line Comments

The following are the official comments from BPA's Power Business Line regarding the OASIS posting of September 20, 2002 to change the preschedule to a 5-day work schedule.

The PBL adamantly opposes this change. We believe there are significant financial issues at stake for marketers, including ourselves. We also believe there are significant reliability issues at stake for Control Areas, including TBL. In addition, PBL has several unique business reasons for wanting a full 7-day preschedule window.

The GTA's that we forecast and preschedule are going to need changes 7 days a week. This is primarily an issue with our load in the IPC Control Area that will be served under an Open Access Transmission Tariff effective January 01, 2003. As other GTAs expire and are replaced by OATT agreements, this workload will grow. The inability to change the preschedule over weekends and holidays puts the PBL at risk of huge Energy Imbalance charges.

We have substantial amounts of surplus power that we may be marketing on the day-ahead market that will require a 7-day preschedule window. The California ISO operates strictly on a Day Ahead basis. Moving to a 5-day shop in TBL could preclude the PBL, and others, from selling into that market.

Our concern is that under your tariff, if the Real Time staff are too busy, they can deny changes that we would normally have made in preschedule. One can envision line outages or other "events" that would consume all of the R/T staff's time and preclude our "preschedule" changes from being accepted. This would result in a serious loss of revenues for the PBL and our customers. Don't forget, we have public customers who have purchased a "Slice" of the Federal system. They need a 7-day preschedule shop in TBL also.

In one recent weekend, PBL was adversely affected to the tune of \$76,000 because of last minute curtailments. In the event that the TBL's R/T staff were unable to accept our weekend prescheduling changes, we could be facing that loss many times over in the course of a year.

We are also concerned about a possible compromise to reliability if more unresolved preschedule questions land on TBL's real-time desk(s). During some time-periods, the TBL's real-time staff will not have the qualified preschedule staff available to them to sort out the issues. This would be true with PBL and other transmission customers. During the Spring run-off, PBL did not complete our scheduling and tagging activities by Thursday and/or Friday for the upcoming Sat - Monday period.

In addition, we note that even with qualified preschedule staff available on weekends, TBL has had times when all parties were not checked out until late in the evening on a weekend. Pushing that off to TBL's R/T group will compromise reliability.

The other thing to understand is that this change is NOT just about going to a 5-day preschedule. For instance, over the last Christmas and New Year's weekends, the TBL's preschedule shop would have been closed for 4 days straight over each of those weekends. This puts an incredible burden on the R/T staff and on your customers to preschedule, and forecast, for up to 5 days ahead. In addition, the Cal ISO only checks out the day-ahead. Under your proposal, this would put that check-out process in your R/T shop. When they hit a snag (and they will) the TBL and PBL pre-schedulers will probably be home and in bed and unavailable to help solve the problem. Our R/T staff will probably not have the time or the knowledge necessary to help your R/T staff

straighten it out. One only need look to the events of July 2, 2002, and the resulting Frequency Deviation to see how bad things can get with just a bad preschedule. In the event that your R/T folks had had other system disruptions to deal with, it could have been catastrophic.

We agree that being cost-efficient with staffing resources makes sense. However, we believe this move would save TBL very little in the way of salary savings and substantially jeopardize system reliability and market liquidity.

We also request that our comments, and all parties comments, to this posting be posted verbatim on your OASIS.

Finally, we would like to point out that the PBL is your largest customer, providing nearly 1/3 of your annual revenues. To the extent our marketing activities are limited by this change (and they will be) your revenues will be impacted.

Thank you for the opportunity to comment. We hope you will stay with the current 365 days a year pre-schedule function.

